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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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10/710,866

08/09/2004

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EXAMINER

LY, CHEYNE D

ART UNIT

PAPER NUMBER

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PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 10/710,866	<b>Applicant(s)</b> HOTCHKISS ET AL.	
	<b>Examiner</b> CHEYNE D. LY	<b>Art Unit</b> 2168	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

#### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1) ☒ Responsive to communication(s) filed on 24 August 2007.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) ☒ Claim(s) 1-36 and 38 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-36 and 38 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)                                | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                       | 5) <input type="checkbox"/> Notice of Informal Patent Application                       |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

### DETAILED ACTION

1. Applicants' arguments filed August 24, 2007 have been fully considered.
2. Applicant's arguments with respect to claims 15-30 have been considered but are moot in view of the new ground(s) of rejection.
3. The later-filed application must be an application for a patent for an invention which is also disclosed in the prior application (the parent or original nonprovisional application or provisional application). The disclosure of the invention in the parent application and in the later-filed application must be sufficient to comply with the requirements of the first paragraph of 35 U.S.C. 112. See *Transco Products, Inc. v. Performance Contracting, Inc.*, 38 F.3d 551, 32 USPQ2d 1077 (Fed. Cir. 1994).
4. The disclosure of the prior-filed application, Application No. 10/249,784, fails to provide adequate support or enablement in the manner provided by the first paragraph of 35 U.S.C. 112 for one or more claims of this application. On page 2, the parent application describes the "current invention also periodically reviews the loan origination data up to the time the loan has been funded, assessing whether any changes or additions do not impact compliance with requirements. When instances of noncompliance are found, the invention notifies the lending institution and recommends corrective action, preventing noncompliant loans from being funded until corrective action is taken. A structured process is provided for adding and updating rules in the server database, as new compliance requirements are promulgated" (paragraph [0020]). However, the specification of the parent application fails to provide adequate support or enablement in the manner provided by the first paragraph of 35 U.S.C. 112 for one or more claims of this application.

## REMARKS

5. On page 12, Applicant argues the 101 rejection has been overcome by the claim amendment. Applicant's argument is not persuasive because the amended claims remain software per se due to the specification does not explicitly define the "means for" to include any physical structure(s).

6. As for the prior art rejections, Applicant's argument is not persuasive because the rejection has not been overcome as discussed below. On pages 12-13, Applicant argues Applicant argues the prior art rejections have been overcome by the amendment to the specification to claim priority to application 10/249,784. Applicant's argument is not persuasive because application 10/249,784 fails to provide adequate support or enablement in the manner provided by the first paragraph of 35 U.S.C. 112 for one or more claims of this application.

### *Claim Rejections - 35 USC § 112*

7. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

8. Claims 15-30 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

9. Claims 15-30 are vague and indefinite because the specification does not provide sufficient disclosure to perform the claimed function as required by the "means for..." limitations.

### **CLAIM REJECTIONS - 35 USC § 101**

10. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

11. Claims 1-36 and 38 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

12. Claims 1-14, 31-36, and 38 are rejected under 35 U.S.C. 101 as not falling within one of the four statutory categories of invention. While the claims recite a series of steps or acts to be performed, a statutory "process" under 35 U.S.C. 101 must (1) be tied to another statutory category (such as a particular apparatus), or (2) transform underlying subject matter (such as an article or material) to a different state or thing. The instant claims neither transform underlying subject matter nor positively tie to another statutory category that accomplishes the claimed method steps, and therefore do not qualify as a statutory process.

13. Claims 15-30 lack the necessary physical articles or objects to constitute a machine or a manufacture within the meaning of 35 USC 101. It is noted that the claims recite "means for...", however, the specification does not limit the "means for..." to any physical structures. As such, they fail to fall within a statutory category. They are, at best, functional descriptive material *per se*.

14. Descriptive material can be characterized as either "functional descriptive material" or "nonfunctional descriptive material." Both types of "descriptive material" are nonstatutory when claimed as descriptive material *per se*, 33 F.3d at 1360, 31 USPQ2d at 1759. When functional descriptive material is recorded on some computer-readable medium, it becomes structurally and functionally interrelated to the medium and will be statutory in most cases

Art Unit: 2168

since use of technology permits the function of the descriptive material to be realized.

Compare *In re Lowry*, 32 F.3d 1579, 1583-84, 32 USPQ2d 1031, 1035 (Fed. Cir. 1994)

15. Merely claiming nonfunctional descriptive material, i.e., abstract ideas, stored on a computer-readable medium, in a computer, or on an electromagnetic carrier signal, does not make it statutory. See *Diehr*, 450 U.S. at 185-86, 209 USPQ at 8 (noting that the claims for an algorithm in *Benson* were unpatentable as abstract ideas because “[t]he sole practical application of the algorithm was in connection with the programming of a general purpose computer.”).

### ***Claim Rejections - 35 USC § 103***

16. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

17. Claims 31-38 are rejected under 35 U.S.C. 103(a) as being unpatentable over LaBonty et al. (US 2006/0106706 A1) (LaBonty hereafter) in view of Acosta et al. (US 6,643,625 B1) (Acosta hereafter).

### **MOTIVATION TO COMBINE**

18. LaBonty describes an improvement in a universal document library that incorporates a flexible methodology that allows a virtually unlimited number of customized loan programs (page 2, [0015]). While, Acosta describes a method for auditing loan and loan servicing portfolios (column 1, lines 63-67). One of ordinary skill in the art at the time of the invention

Art Unit: 2168

would have been motivated by LaBonty to improve the loan servicing of Acosta to allow a virtually unlimited number of customized loan programs.

## **BASIS FOR PRIOR ART**

19. In regard to claims 31 and 32, LaBonty discloses a method for generation and maintenance of a regulatory compliance rules repository for regulatory compliance assessment, comprising the steps of:

20. Comparing a law imposing requirements for a regulated transaction with a compliance subjects checklist for determining that a change (page 8, [0072], especially, “tracking change requests”) is required in the regulatory compliance rules repository (page 7, [0060], especially, “universal compliance library”);

21. Creating at least one new computer-encoded compliance rule based on the require change in the regulatory compliance rules repository (page 8, [0074], especially, “when a form is updated with the new text to meet the new legal requirements...”);

22. Assessing regulatory compliance of a compliance review file using new and existing computer-encoded compliance rules in the regulatory compliance rules repository (page 9, [0084], especially, “testing process...”; and

23. Producing a regulatory compliance result file for indicating subject areas in the compliance review file in compliance and non-compliance with the new and existing computer-encoded compliance rules (page 10, [0087] to [0089]).

24. However, LaBonty does not describe the limitation of “a compliance subjects checklist.” Acosta describes that audit checklists are well known in the origination of the loan, selling of the loan to investors, and servicing the loan (column 1, lines 38-45). Therefore, it would

Art Unit: 2168

have been obvious to one of ordinary skill in the art at the invention to use the loan servicing method of LaBonty with the audit checklists are well known in the servicing the loan described by Acosta.

25. In regard to claim 33, LaBonty in view of Acosta describes a rule documentation report if a change is required in the regulatory compliance rules repository (page 8, [0075], especially, “a simple query/report to find all of the changes made for the issue...”).

26. In an alternate interpretation, the limitation of “preparing a rule documentation report if a change is required...” wherein said limitation supports that the “preparing a rule documentation report” is required when the conditional limitation is met. Otherwise, no report is prepared (alternatively, second embodiment) when the conditional limitation is not met. Claim scope is not limited by claim language that suggests or makes optional but does not require steps to be performed. (see MPEP 2111.04 [R-3]). Therefore, LaBonty in view of Acosta renders claims 33-37 obvious over the cited prior art as directed to the alternate interpretation.

27. In regard to claim 38, LaBonty in view of Acosta describes the step of comparing an existing law (page 12, [0110] to [0112]).

### **CONCLUSION**

28. Patent applicants with problems or questions regarding electronic images that can be viewed in the Patent Application Information Retrieval system (PAIR) can now contact the USPTO's Patent Electronic Business Center (Patent EBC) for assistance. Representatives are available to answer your questions daily from 6 am to midnight (EST). The toll free number is (866) 217-9197. When calling please have your application serial or patent number, the



Art Unit: 2168

type of document you are having an image problem with, the number of pages and the specific nature of the problem. The Patent Electronic Business Center will notify applicants of the resolution of the problem within 5-7 business days. Applicants can also check PAIR to confirm that the problem has been corrected. The USPTO's Patent Electronic Business Center is a complete service center supporting all patent business on the Internet. The USPTO's PAIR system provides Internet-based access to patent application status and history information. It also enables applicants to view the scanned images of their own application file folder(s) as well as general patent information available to the public.

29. For all other customer support, please call the USPTO Call Center (UCC) at 800-786-9199. The USPTO's official fax number is 571-272-8300.

30. Any inquiry concerning this communication or earlier communications from the examiner should be directed to C. Dune Ly, whose telephone number is (571) 272-0716. The examiner can normally be reached on Monday-Friday from 8 A.M. to 4 P.M.

31. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Tim Vo, can be reached on (571) 272-3642.

/Cheyne D Ly/  
Primary Examiner, Art Unit 2168